



Despite the significant improvement in NorthWestern's generation capacity, including acquisitions of hydroelectric plants and wind farms, NorthWestern's resource portfolio is not yet sufficient or "reliable", as defined by regional planning organizations.

In periods of peak loads, NorthWestern often does not have sufficient capacity, meaning that NorthWestern must make market purchases of electricity to meet customers' needs.

Periods of peak load are those times when customer demand for electricity is particularly high. This tends to occur during periods of extreme weather, during the coldest winter days (below 10 degrees Fahrenheit) when more electricity is used for heating purposes and during the hottest summer days (above 90 degrees Fahrenheit) when more electricity is used for cooling. The availability or unavailability of other resources can also be a significant factor. For example, the amount of rain during a season or snow during a preceding winter impacts the generation of our hydroelectric facilities. Similarly, there are periods when more or less wind power is generated. Unfortunately, critical weather in Montana typically occurs with high pressure, meaning wind generation more frequently than not generates very little power during these critical conditions. Those instances when there is both high demand for electricity and less available renewable generation can be particularly challenging from both a reliability and customer affordability perspective.

The chart below, which is drawn from NorthWestern's 2019 Electricity Supply Resource Procurement Plan filed at the MPSC, illustrates the difference between NorthWestern's available capacity and that of its regional peers.

